

UNITED STATES CIVIL SERVICE COMMISSION
BUREAU OF RETIREMENT AND INSURANCE
 WASHINGTON 25, D.C.

IN REPLY PLEASE REFER TO

RS:RWO:pal

YOUR REFERENCE

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January 3, 1964

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[Redacted]
 President
 Government Employees Health Association
 P. O. Box 463
 Washington 4, D. C.

*your copy
 We do this
 each year.*

STAT 1/8/64

Dear [Redacted]

The books and records of the Mutual of Omaha Insurance Company at Omaha, Nebraska, and the General Agent at Washington, D. C. applicable to the Government Employees Health Association operations under the health benefit program were examined in accordance with section 11(b) of the Federal Employees Health Benefits Act of 1959 and paragraph 9 of Contract CS 1065. Copies of the report covering the results of the examination of the second contract term Annual Accounting Statement are enclosed.

As a result of the examination covering the first contract term certain adjustments were recommended which were properly incorporated into the Annual Accounting Statement for the second contract period. As noted in the report, certain adjustments for the second contract term are to be included in the Annual Accounting Statement for the third contract term.

The officers and employees of "Mutual" and the Agent were again most courteous to and cooperative with the members of my staff during the examination.

Sincerely yours,

Andrew E. Ruddock

Andrew E. Ruddock
 Director

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Enclosures



*file
 6/14/64*

REPORT ON EXAMINATION
OF
GOVERNMENT EMPLOYEES HEALTH ASSOCIATION
CONTRACT CS 1065
FOR THE PERIOD FROM NOVEMBER 1, 1961 THROUGH OCTOBER 31, 1962

Systems and Audits Office
Bureau of Retirement and Insurance
U. S. Civil Service Commission

REPORT ON EXAMINATION
OF
GOVERNMENT EMPLOYEES HEALTH ASSOCIATION
CONTRACT CS 1065

FOR THE PERIOD FROM NOVEMBER 1, 1961 THROUGH OCTOBER 31, 1962

The Government Employees Health Association, an employee organization with headquarters in Washington, D.C., contracted with the Commission in Contract CS 1065 under section 4(3) of the Federal Employees Health Benefits Act of 1959 to offer members of the Association an indemnity-type health plan for the period July 1, 1960 to October 31, 1962. Representatives of the U.S. Civil Service Commission examined the Plan's accounting statement together with its related exhibits and records as of October 31, 1962 for the second contract period then ended.

General Comments

The Association administers the contract which is underwritten by the Mutual of Omaha Insurance Company at Omaha, Nebraska. The Underwriter's Policy provides that all financial and statistical reports shall be furnished as requested by the Commission. Subscriptions were received by the Association and forwarded to the Underwriter's Home Office at Omaha, Nebraska via the Underwriter's Agent at Washington, D.C.

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For the contract period the Plan earned subscription charge income totalling [redacted]. Of this amount the Plan reported [redacted] as charges for health services and [redacted] for administrative expenses,

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